

## **Town of Bedford Finance Committee**

Town Hall, Selectmen's Meeting Room

June 19, 2014

Members in attendance: Tom Busa, Steve Carluccio, Bob Kenney, Elizabeth McClung, Barbara Perry, Steve Steele (Chair), Ben Thomas.

Others in attendance: Taissir Alani, *Facilities Director*; Eric Dahlberg, *Hunt Road*; Victor Garofalo, *Director of Finance and Collector/Treasure*; Brad Hafer, *School Committee*; Paul Mortenson, *4 Wellington Way*; David Powell, *3 McMahon Road*; Jon Sills, *Superintendent of Schools*.

### **School Department – FY14/FY15 Budget & Zero Fund Request:**

Superintendent Jon Sills and Facilities Director Taissir Alani requested a zero fund transfer in order to purchase and install two modular classroom units at Davis School. The modulares would replace two previously approved capital projects: a \$42,960 project (FY15) and a \$56,000 project (FY14). Both projects were for space allocation/reconfigurations and have already been sanctioned by Town Meeting. Mr. Asani said a Lane School project that figured into the original plan can be done for less than previously calculated so diverting the funds to the modulares wouldn't affect the ability to see the Lane project through.

Mr. Sills said the \$42,960 project was devised last fall when a sudden upsurge in kindergarten enrollment yielded 202 students and raised the question of how to deal with a higher early-elementary population. At the time, it was not known whether to regularly expect an increased numbers of kindergarteners nor was it known whether this year's kindergarten enrollment would "hold", necessitating 10 first grade classrooms next year. The long-term remains unknown, Mr. Sills said, but high kindergarten numbers are indeed expected for next fall (pre-enrollment now stands at 188) and 10 first grade classrooms are needed for the current kindergarten cohort if class sizes are not to exceed the maximum. To address the immediate problem, Facilities now recommends 2 modulares instead of the original plan to reconfigure existing space funded by Town Meeting in the two approved capital projects.

Because there is no certainty that kindergarten numbers will return to former levels, Mr. Sills said additional space will be needed for the foreseeable future at Davis.

"If this is the beginning of a significant trend, we are going to have to look at some larger-scale capital projects," Mr. Sills said. "For \$100,000 we buy ourselves several years to figure that out. If we were *not* to do this, the likelihood is that we use the \$86,000 to do the space modifications at Davis and we'd come back next year and ask for a modular or two so the cost would be double or one and a half times what it would be to make that move now."

Mr. Sills added that without the modulares, Art at Davis would have to be "Art on a Cart". In other words, the program would no longer have a permanent classroom and the teacher would travel from place to place. Time devoted to the subject and available materials would be become limited. "This is not something we could tolerate for more than a year. It's not a great solution," Mr. Sills said.

Facilities Director Taissir Alani has brought a fresh perspective for how to deal with projects and as well as how to use in-house expertise to offset costs, Mr. Sills said.

Positives in favor of taking the modular route include:

- Similar costs to the original space reconfiguration projects
- Keeping art in an appropriate space
- Providing more space generally, which would address a developing crowding issue
- More flexibility that buys time to understand if population growth is a bubble or a trend.

Mr. Sills said the Schools are asking for the zero fund transfer and “would follow up with an article at Town Meeting—through the Selectmen and Finance Committee—to repurpose the funds that were for the space modifications that would reimburse the Reserve Fund. There should be no additional cost to you or the Town.”

He added, however, that there is “a delta” of about \$12,000 between the total of the two capital project funds and the anticipated cost of the modulators. The delta represents the cost of the lease of the modulators at \$1,000/month. He said the Schools are “prepare to find a way to get that within our operating budget.” Mr. Sills said that total cost of modulators and installation could also be less than projected.

Mr. Alani said he has contacted three modulators vendors. The design of the modulators includes double doors and each has its own HVAC unit. Per the building code, a 15 ft. distance must be maintained between the modulators and the main building. A corridor would be constructed to make the connection which Facilities would build.

Also required by code is a maximum distance from classroom to a bathroom facility (300 feet). Mr. Alani said that each modular has its own allotted bathroom space but noted that the main building bathrooms—well within the maximum distance at 125 feet—could be used if hooking up the plumbing is problematical. He said that electrical hook up would be easy and that Facilities would perform that work also. This workload does not overly burden Facilities because it replaces work that would have done to reconfigure the Davis space.

The modular company Mr. Alani expects to use—chosen mainly because it is able to provide the modulators in time for the start of school— estimates the set-up fee to be \$98,000. This amount includes transportation, delivery and construction of the concrete foundation. There would also be the aforementioned monthly lease (\$1,000 X 12 months) plus a dismantling charge at the end of use of \$27,800. The latter would be billed at a later date when the units are no longer needed.

Mr. Steele said in the past that Facilities has commonly sub-contracted plumbing, electrical and construction projects out. “What’s changed?” he asked. Ms. Perry asked what the materials would cost.

“You’re asking for \$100,000. Is that going to get the whole job done?” Mr. Steele asked. “[We need estimates for the corridor] and for plumbing and electric—all that stuff costs money. I can see us six

months from now saying 'Oh, we didn't think of this.' We've done this historically. I want to know the total cost of the project."

Ms. Perry added, "I'm uneasy assuming the manpower you have will do this without letting anything else slide. I think that we need an estimate of the amount of manpower required."

Mr. Asani said that "a good chunk" of the space reallocation work was going to be done by in-house staff anyway. "[The modulars are] even less work for us. We were going to spend the whole summer at Davis with our own forces—the carpenter, the electrical. There was a lot of HVAC work that was going to be re-worked. I could have lost the HVAC, electrical and carpenter guys for the whole summer. I don't have to do that anymore. They'll probably work for a week or so on this project....There's a lot of savings in the labor."

Ms. Perry said this was an even greater reason to understand what the labor would cost. Mr. Alani agreed to provide the figures.

Mr. Carluccio asked what the net difference would be between the two space reallocation projects and the modulars. Mr. Sills said –notwithstanding the cost of materials "which would be minimal", the net cost is \$10,000. He arrived at this figure taking the amount of the two projects ( \$42,960 + \$56,000) plus the lease (\$12,000) for "a total of about \$110,000."

Mr. Carluccio verified that the funds already allocated for the capital projects would revert back to the Town, not to the Schools. "So this would be a net of about \$10,000-\$12,000?" "We'll come up with that out of our operating budget," Mr. Sills said. "This is the hiring season and we've been fortunate to hire a fair number of people at less than what we budgeted for. We have a little bit of wiggle room there. And as the hotel numbers come down, there may be a savings of a .1 ELL that we thought we needed."

"So the question is really one of timing, not money," Mr. Carluccio summarized.

Mr. Carluccio then asked if there was a negative perception attached to the modulars. Mr. Sills responded that the School Committee is comfortable with the modular option but agreed that PR needs to be done in the community. "The whole state is seeing a [population] surge right now. Lexington's going to be adding about 20 modulars this year to their high school alone. The concern around modulars is that they become a long-term solution rather than a short-term solution. That's not the School Committee's interest or my interest. We see these as temporary."

Mr. Sills added that high-end, ecologically-friendly modulars exist and that the Carroll School in Lincoln, for example, is using them as permanent solution for an expanding program.

He also noted that when modulars were used for BHS during construction, the teachers and students preferred them.

Mr. Steele asked why Mr. Sill hadn't considered using modulars originally. Mr. Sill replied that he thought the cost was higher than it is. "Having gone through the school building project, I had a figure of

\$750,000 in mind— the better part of a million. I didn't realize they were this affordable. I thought we'd have to build toward them through the capital process. That [mistake is] on me. I acknowledge that."

Ms. McClung agreed that it was probably better not to repurpose rooms because of the design that had gone into the space with the music and art in mind. "It's better not to tear apart what's just been done to squeeze classrooms in there."

She asked if there are less expensive modular models available, considering that bathrooms are located close by in the main building and not strictly needed in the modulares.

Mr. Alani said he had looked into that but the majority of modulars include bathroom areas. To get units without bathrooms requires a special order and timing is tight to get these units installed for September.

Ms. McClung asked how long a permanent addition project to the building would take and what it would cost. Mr. Sills said the process would take at least 2 years from the design phase to State acceptance and added that there is a line to get into to apply for the State authorization. "Even if we were to have gone forward two years ago when we thought the bubble was coming, it wouldn't be done by now. It's a multi-year process. We need to start communicating with the State."

The price tag for 2 classrooms would be about \$1M. Mr. Sills said that it makes sense to "get in a proposal as a placeholder". Mr. Alani said that permanent space cost as calculated by the MSBA is about \$400 per sq. ft. At this rate, a 1000 sq. ft. classroom would cost \$400,000.

Mr. Sills said the population projection study that was conducted several years ago envisioned adding a second floor to Davis School.

Ms. McClung asked if the roofs were designed to hold solar panels. Mr. Steele recalled that former Facilities Director Richard Jones said the roofs, being flat, could not bear any more weight. Sills said he didn't know about solar but said he knew that steel beams would have been required if the modulars were used as a second story.

Ms. Perry recalled that when the Davis was designed, the ability to add a second floor was discussed. "I don't know what structural precautions were taken so that could be done.... but the intention was to go up."

Mr. Busa commented on what was being proposed. "I have no concerns with adding space: if you need space, you need space. It seems like you are on top of the best way to do it. But, you're going to receive \$35M on July 1. You're looking at less than 3/10 of 1 percent of your entire budget to do this project. Why are you coming [to us] now? If this is such a critical need, do it. You have \$35M; you have the capability of getting it done. You have an entire year to worry about where the funds are going to come from and you can come to us any time after March and say, 'We have a situation.'"

Mr. Busa continued, asking why—after the gnarly budget process that just been completed—did the Schools choose to hire more than the 14.5 FTEs agreed upon. "My understanding is that we've now

hired above the 14.5 FTEs for the fiscal year coming. You have 4-5 more FTEs than we discussed. All of a sudden there's enough room in your budget to hire \$200,000 worth of educators which just a month ago you didn't need. That's double [what you're coming to us to request]. And now we're going to have to figure out a way to compensate [for the employee benefits for these hires] in Victor's budget. That's another \$30,000-\$50,000. If you knew this [modular project] was coming up, why did you hire additional FTEs before sorting the problem out?"

Mr. Busa asked if the special accounts and grants under the School department had been resolved because there was a lot of money in those pockets. "You could absolutely pay cash for this with the money that's been sitting in these funds. Before we vote on the modulars, I'd like to see where we stand with these funds and if we can draw them down."

Responding to Mr. Busa's comments, Mr. Sills said that the Schools had alerted FinCom during the budget process about the potential need for an additional kindergarten teacher for next year; the decision was to postpone hiring another teacher until kindergarten enrollment numbers became clearer. For next year, two current kindergarten teachers will move up to first grade with the current kindergarten class of 202 and a new teacher will be hired to cover kindergarten "unless you want 24-25 kids in a kindergarten class," Mr. Sills said.

Additionally, just last month, five SpEd students opted to come back in-house. "This is the fluidness of Special Education," Mr. Sills said. "These are real kids—they are not abstractions. They've come back from placements that were budgeted outside the system at \$50,000-\$60,000 a piece plus \$10,000 each for transportation. This brings a direct savings of about \$250,000—not cost avoidance. But to do that, based on their IEPs, we are required to have Teaching Assistants with them. These are [two] Teaching Assistants that we have to bring in."

Without going into details that would be considered confidential, Mr. Sills spoke about a Special Ed student with Down's syndrome whose parents have opted for a full-inclusion plan. This student "requires a program to be built around him and we have no option so we have to hire an inclusion specialist for this. Did we plan for this? No. Did we know this was coming? No."

Mr. Steele asked if the FTEs now hired were the same FTEs that were eliminated during the budget process. Mr. Sills said they were not.

Mr. Busa said he was fully behind bringing Special Education in-house whenever possible. "It saves the Town money. Like you said, it saves [\$290,000]."

"We're using some of that to pay for the kindergarten teacher," Mr. Sills replied. "I'd have to look to see what the total [saving] is." He added that there is also a cost for the inclusion specialist and reiterated that this FTE is a requirement.

Mr. Carluccio asked if there are private companies that can be hired to provide services for these most challenging of students.

Mr. Sills said that 3 options exist for such students:

- Out-of-district placement in a Special Ed school (that can cost \$100,000 a year)
- Placement in a Special Education collaborative [like CASE and LABBB]
- In-house placement

The Schools can contract with outside resources to provide services within the Bedford school setting to meet a child's educational needs. However, this particular student needs full time, one-on-one support for that to happen. Mr. Sills said that school districts technically have the right to contest parental requests of this nature but at a "pre-hearing" about this specific case, the Schools were advised to agree to the parents' wishes.

Ms. Perry asked about the population uptick in kindergarten. Before the recent surge to 202, the "normal" number was generally around 168. Mr. Sills attributed the uptick to two main causes: move-ins and parents choosing school rather than daycare once Bedford's full-day/ full-week kindergarten program began. Mr. Sills said the school-rather-than-daycare cause added about 10 kids. Ms. Perry asked if the Davis School student numbers would come down due to there being fewer homeless students. Mr. Sills replied there would be little material difference.

Ms. Perry said she trusted the Schools' evaluation of the need for space but questioned whether repurposing the underutilized pods at Davis would be a better solution.

Mr. Sills replied that one of the pods—the 2<sup>nd</sup> grade pod— is fully used as an outside-the-classroom learning area. The other pods are used less, partly because they now house auxiliary computer areas and the computers haven't worked because they are mostly hand-me-downs.

Mr. Sills said that Davis principal Beth Benoit wants to create cluster learning groups that would use the pods more fully. Mr. Steele asked if this would necessitate adding partitions and Mr. Sills said it would not.

Mr. Sills said he anticipates needing the modulars for two years and is working with the Planning Board and realtors in town to try to be ahead of future population surges.

Ms. Perry said she hoped the Schools would study their space needs in detail because it is upsetting to approve money for School capital projects that never gets used. "It confuses me because even though the need was felt to be imminent, the work wasn't done. It's essential that the Schools do a space needs study. I can't support a long-range nickel and diming of the budget. Whatever we decide for this coming year, you've stated that's intended to be temporary but we need to know what the permanent plan is—the ten-year range. I understand it's difficult."

Mr. Sills assured Ms. Perry that the Schools have a commitment to looking closely at the space needs question.

Mr. Sills said his understanding—per conversations with former Facilities Director Richard Jones—is that the timing of Town Meeting presents difficulties for getting project bids out in the most advantageous window.

Mr. Steele said that bids could go out “pending approval of funds.” “We did this for the turf field. You can get the approval at Town Meeting and the funds are available July 1. You have 3 months to be putting things together and getting bids out.”

Mr. Alani replied that designs are needed before the contract can go out to bid and those designs take time. And, because it’s a public bidding process, the timing is controlled by the State. ‘You’re looking at eight weeks before you can do any work.’”

Because there are only a few companies that sell and install modulars, the competitive bidding process for this project is not mandated, although negotiation does take place, Mr. Alani assured the Committee.

Mr. Kenney said he believed FinCom should keep a strong focus on what the Schools’ request is, rather than getting side-tracked into the larger space issue. “We don’t want that to get mixed in with this. We’re looking to find out if we think this is a reasonable project to vote for, considering the need.”

In his comments, Mr. Thomas said he had a hard time understanding the School budget. “I don’t think I’ve ever seen it. I assume there are electronic copies. The more I understand it, the more I can help you.”

Mr. Sills said he would see to it that FinCom gets the full budgets from now on, including this year’s.

In response to another question from Mr. Thomas, Mr. Sills said the green pod project is now off the table in favor of the modular solution.

Referring to the population projections provided by the Schools, Mr. Thomas said he believed they were too low. “I request that you strongly start looking a couple years out and ask ‘What on earth are we going to do?’ Unless we want to build a tent city of modulars out there. ”

He added that he agreed with Mr. Busa about the timing of the Schools’ request, since—in all practicality— ground cannot be broken before July 1 and \$35M becomes available to the Schools on that date.

Mr. Garofalo asked Mr. Sills if he had a signed contract for the modulars. Mr. Sills said he had not. Mr. Garofalo said, in that case, that funds from the FY14 Reserve Fund could not be used.

Mr. Sills said his understanding of the way forward for this project was to come to FinCom with the proposal for a zero fund transfer.

Mr. Garofalo said the money would come out of FY15—not FY14. Mr. Sills concurred.

Mr. Garofalo then clarified the mechanics of the Schools’ request: the zero fund transfer would come out of FY15 and the Schools would return the approved unused funds for the two capital projects which would negate the zero fund transfer.

Mr. Thomas re-stated that there was a lot of time to see if the funds were actually needed, considering that FY15 hasn't started yet. "There are two Town Meetings, there's lots of budget, there's lots of wiggles."

Mr. Carluccio asked what the state criteria for a zero fund transfer is. Mr. Busa replied it was for "unanticipated expenses or situations."

Mr. Busa said, "It's a great project. Move forward. If we have a situation in March and you're out of funds in one of your accounts, I have no problem supporting it. I just think you're way ahead."

Mr. Sills asked if the funds for the two capital fund projects could be reverted back to the School budget.

Mr. Garofalo said the way it would work is, at Town Meeting, the unused funds for FY14 would automatically revert to Free Cash so the only one of the two that could potentially go to the School budget is the \$42,960 FY15 project. "It's FinCom that makes the decision of whether to add the \$42,960 to your budget."

"Or we could add it to our Reserve Fund," Mr. Busa said, "with the guarantee that after we go through the extra costs of whatever the Town-side is going to be—because we don't have that exact cost yet. I would guarantee that I would support this project in the future, just as long as we know where you are with your budget going through the season, we know where we are with all these special accounts that have been hanging around that don't have great explanations."

Mr. Garofalo spoke on the subject of the special accounts, saying that [School Finance Director] Dave Coelho has been really good about these. They're all cleaned up. Essentially all those accounts that you saw before have been closed to the Undesignated Fund balance. All the ones prior to FY14 are at zero. That update can be provided."

Mr. Busa said, "I understand that some of these accounts can only be used for certain things but there's millions of dollars in there."

"My concern," Mr. Sills replied, "is that the will of Town Meeting was to pay for the space needs out of capital funds and leave the operating budget alone. What I think you're suggesting is that there's a possibility that we would pay for this whole thing out of our operating budget."

Mr. Busa replied: "If you go through FY15 and have a couple hundred thousand you don't need, why not [pay for the modulators] out of that? If [on the other hand] you come to us in March and say every dime of the budget is going to be gone and you need the \$100,000— OK. We've already closed out the FY14 project [to Free Cash] and we have the FY 15 project money set aside. And by that time, some of the questions that Barbara brought up can be answered and we'll have a better understanding of where you are financially. I don't think that any of us are going to say we don't need the space. We're saying we think you're early coming to ask for the money when you have the cash on hand to get it started. Have you ever come in here and said, 'We need funding for x,y,z and here's why'—and we've said 'No, we're not going to give you the money'? I don't think it's ever happened."

Mr. Sills responded: “But, it’s a different request to come to you and say ‘We’re out of funds and we’re going to be in debt without a Reserve Fund transfer’ than it is to say ‘\$100,000 was allotted for capital and we built an operating budget—which we compromised about—that didn’t include having to finance \$100,000 worth of capital.”

Mr. Carluccio said he agreed with Mr. Busa’s and Mr. Thomas’ perspective because “it keeps things more orderly.” He added that, if the Schools were to come in next spring asking for \$100,000, it would be “squarely due to an unanticipated situation. Now, it’s just speculation whether you need a Reserve Fund transfer or you don’t.” He said he would not like to see this set a precedent for other departments to come in prematurely for fund transfers.

Mr. Sills countered, saying, “The Town didn’t say to us ‘See if you can find the money for this space needs capital projects in your operating budget.’ The Town said, ‘That’s a legitimate need and here’s \$100,000.’ To say that we now have to fund this and come back to you to fill a hole in our budget doesn’t feel fair to me when all we’re asking—based on new developments—is to loan us money for a few months to fund a better solution.”

Ms. Perry said she agreed that the modulars are a capital project and she is uncomfortable paying for it out of operating. As for it being unanticipated, however, she said that on November 13, 2013 the projected number of kindergarten classes needed for next year was 8 or 9 and therefore the need is not unanticipated. “You may not have budgeted for it but you saw the need for it back in November.”

Mr. Garofalo explained how unused funds from prior years are handled. “Projects are allowed to stay on the books for two years. After two years, it has to go before the Selectmen to roll over [to remain available for the next year]. We send our requests [for information about unused funds] to all departments and the Selectmen vote in August. We have to do that every year. After five years, there has to be a serious reason as to why something stays on the books. If a project is closed, it doesn’t automatically revert to that year’s budget, it just gets closed to the Undesignated Fund balance and then that closes to Free Cash.

“In this situation, it’s a FY14 project and FY14 is over. If they no longer need these funds and the Town Meeting votes to rescind the project, the money closes to Undesignated Fund balance. Whereas the FY15, it’s still in the same fiscal year. The Selectmen could vote to allow the money to remain available. Under the bylaw, after two years— if the Selectmen don’t vote to allow a project to roll over— it automatically closes to Undesignated Fund balance. No action is required by Town Meeting at all.”

Ms. Perry said that what she was looking for was a way for the FY14 funds to remain connected with the capital fund project.

Mr. Garofalo said Mr. Sills was saying he didn’t need the money for the original space reallocation purpose and that he intended to go to Town Meeting to ask that the project be rescinded. He added that the Selectmen might be able to rescind the project without taking it to Town Meeting. A zero fund transfer would mean that, at the end of the fiscal year, if the money is needed to balance the budget, the money—up to the amount approved—would be made available.

Ms. Perry reiterated her discomfort with a capital project being funded in the operating budget. Mr. Garofalo likened the Schools' request to the recent decision on how to fund the increase in veterans' services: a situation requiring greater funding was being monitored and some or all of an approved amount has been made available in the event that the regular budget is outstripped. The funding can only be spent on that particular line item.

Mr. Busa said that this is where the two scenarios differed: once money goes into the Schools' budget, it can be spent on anything, not just on what it was originally budgeted for. "When we transfer to any other department, it goes to an exact account line and it can only be spent on that. If they don't spend it on that, we get it back."

Mr. Garofalo clarified that if FinCom approved a Zero Fund transfer, it would be saying that there was \$100,000 for the Schools to access if it became a necessity. "The other alternative is that you do nothing and at Special Town Meeting, you divert \$42,000 to their budget and they only have a \$56,000 problem."

Mr. Carluccio said he thought it responsible of FinCom to wait until the Schools ran out of money and the \$100,000 was needed.

Mr. Sills countered that, from his perspective, it was more responsible to say that a \$100,000 debt is expected for solution to a problem for which the Town already approved funding. "We know that we need that funding, based on our budget projections. It's more responsible to say 'Let's plan for that.'"

Chairman Steels said the total cost of the modular project was unknown. "You say it's \$98,000 but then you have materials—I don't know what the materials are or what they cost. You're asking for \$100,000 but we don't know the total cost."

Mr. Kenney interjected that this is why a zero fund transfer made sense. "You'd say 'up to \$100,000' and then they can only spend up to \$100,000. If they don't need it, it comes back to the Town."

"What if they spend more?" Mr. Busa asked.

"This is my problem," Mr. Steele agreed. "I want to know the total cost of the project. We've never gotten the total cost to almost anything. Like the iPads. The cost started here [and changed year after year]. Everything's creeping upwards. I don't have a problem with \$100,000 but you come in here and you don't know what the total cost is. Do we need more space? Are utilities going to go up?"

"When you go for a proposal— in business— you have total costs and return on investment. You know what the savings are and what the costs are. We don't see that here. All you're saying is 'We projected to spend \$100,000 in two years for the capital projects, we want you to move it over, don't ask us any questions.' It may cost \$100,000, it may cost \$150,000. I don't know what it will be. In good conscience, I can't vote on this until I know the total cost."

In response to a question from Mr. Steele about why the capital money has been unused from FY14, Mr. Alani said when he was hired, he took a look at the space problem and made a recommendation to address it differently.

He said that most of the costs are “fixed” for the project, although the costs to light and heat the additional space are hard to pinpoint with the way utilities are rising. The only basic cost that’s unknown is the cost of building the canopy. “Again, that’s a tradeoff between locking up 4-5 guys for the summer to do the [space modifications originally planned] or just tying them up for one week and then I have them available to do other projects.”

Mr. Alani said he would provide figures for the electrical, mechanical and plumbing work.

Mr. Steele repeated these are the sorts of details that are needed now that “the scope of the project has changed.” He asked if this change of plan had been presented to CapEx and Mr. Sills said he is meeting with CapEx the following week. Mr. Sills said he has also communicated with Town Manager Reed.

“It’s important that the Selectmen know what’s going on,” Mr. Steele said. “I want to make sure we don’t break a process. Capital has been a sticking point for a lot of people and now we’re moving something and changing a systemic process. I want to make sure that everyone that was involved in the original process is informed and understands what’s going on.”

“We need to have some faith in each other,” Mr. Carluccio said. “Reasonable minds should reflect on this conversation and the process that approved money for a purpose and when you come down next March short \$54,000, you should get it. The way this played out was unanticipated from when you set the budget. I think it’s really a matter of timing and logistics but we have to stick to some type of procedure to manage the Town’s Reserve Fund.”

Mr. Busa asked if the money could be transferred into Facilities to a specific line item rather than into the larger pocket of the Schools. Mr. Garofalo said there were two Facilities budgets: the Town side and the School side. This being a School item, the funding would go under the Schools’ budget. The two Facilities budgets have to remain separate.

Mr. Thomas said, going forward, more details and more numbers are desired. Mr. Sills asked if he could return with additional information. Mr. Steele assented, saying more information adds value to the discussions and votes.

Mr. Carluccio returned to the question of whether the request was premature. He made a motion to move the question. Ms. Perry seconded. The motion passed 5-2-0.

Mr. Busa made a motion to postpone voting on whether approve a zero fund transfer to the Schools, pending more information. Ms. Perry seconded. The motion passed 7-0-0.

Mr. Sills asked when the Committee next meets. Mr. Garofalo said the meeting date is July 10 and that

Mr. Sills is already on the agenda to request a Reserve Fund transfer for homeless student transportation.

Mr. Steele asked Mr. Sills how things stand with FY14, budget to actual. Mr. Sills did not have those details on hand. Mr. Steele said he'd never seen a budget-to-actual detail from the Schools. Mr. Garofalo said he could provide those figures from the Schools and the other Town departments to show how much each department turns back in at the end of the fiscal year. The books will close July 17 and then the audit occurs.

Mr. Garofalo said that since Mr. Alani has come to Bedford, he's done walk-throughs of every building and met with staff to determine what the needs are.

Mr. Thomas said it would be valuable to have an analysis of the buildings so there are no surprises. Mr. Alani agreed and said he would be happy to provide a 5-6 year forecast. To end on a positive note, he agreed with Mr. Steele about how proposals in business are made. "That's what we do: we reassess as we go. When we were looking at this space, we reassessed it to the benefit of the Town to give the flexibility and not take away from the kids."

Mr. Steele said reassessment was a good thing and added that it's FinCom's job is to ask questions and understand the facts. "I can guarantee someone is going to ask why we didn't build something rather than put up modulars. We're asking you because someone's going to ask us."

Ms. McClung asked how hard it will be to put together a capital warrant article that asks for funds to install the modulars and rescinds the two previously approved capital projects. Mr. Garofalo said the Schools would present their requests to CapEx by September and CapEx would vote on it before it goes before the Selectmen. Once it's approved as a Special Town Meeting warrant article, the request would then come back to FinCom for recommendation.

Ms. McClung commented that it can be controversial to put capital projects up for a vote at STM since the full capital list of priorities isn't processed for the Annual Town Meeting until closer to ATM.

Mr. Garofalo agreed this can be true but in this case, the request is to repurpose already approved funds.

Mr. Steele said he wants to make sure the Capital Expenditures Committee is part of the process.

Mr. Garofalo said, if CapEx agrees, a request to move the FY14 project funds to a new purpose could be made. "We've done this before with other articles. The project's funding doesn't have to be closed. The Selectmen can vote in August to continue [this funding.] "

Mr. Sills said he was comfortable with that scenario and added, "My understanding was that this is where I was supposed to come first. We had every expectation to go to Capital Expenditures—just out of respect, let alone what their jurisdiction is."

Brad Hafer of the School Committee said he was concerned that, if the approval waits until

Special Town Meeting, the project will already have been done and the funds spent.

Mr. Garofalo agreed, saying this was “the technical end of things.” But, he added that the STM article would have to be crafted to indicate that funds from the operating budget had been used for the project and that a “yes” vote would be reimburse those funds. Mr. Garofalo said Town Counsel would be consulted to identify the proper course of action.

Mr. Busa said he didn’t see how a vote for this article could fail if it has the recommendation of both the Selectmen and the Finance Committee. “We’ll figure it out. It’s a great idea,” said Mr. Busa.

On the matter of reimbursement for homeless student transportation, Mr. Sills said he will send a memo to Chairman Steele about the State’s decision to fund only 50% of FY13 costs, adding that in the previous year the Town received 90%. 50% represents about \$84,000. On a positive note, Mr. Sills noted the numbers of homeless families at the Plaza are declining.

Ms. McClung said she wants Bedford “to have a voice to say to the State, ‘This is not OK.’”

Mr. Steele said that Senator Barrett and Rep. Gordon—along with legislators from other affected districts—had in fact put pressure on the State about the issue. Mr. Sills pointed out that Bedford had successfully lobbied to bring the homeless numbers down.

Appreciation for work done by Senator Barrett and Rep. Gordon and the homeless and on impact aid was expressed.

**Old business:** Mr. Steele asked when the Paramedics proposal would come before the Selectmen. Mr. Garofalo said the funding model would be presented to the Selectmen on June 30. If FinCom needs further information, Chief Grunes could come back to answer questions on July 10.

Mr. Garofalo summarized the issue, saying —essentially— the Town would need to agree to subsidize the start-up costs for the in-house paramedics program until it can be self-sufficient. The Fire Department is asking for \$93,000 for FY15. Retained ambulance earnings could possibly be used to cover some of that expense. In FY16, \$135,000 will be requested.

If approved, the Fire Department’s budget would be amended at Special Town Meeting. The program would then start in February. One current firefighter is interested in taking the paramedics training. He is taking it with the expectation that the program will be approved.

**New business:** Ms. Perry volunteered to cover the Selectmen’s meeting on June 23 because Mr. Thomas is unable to attend.

Mr. Steele received a question on budget timing from Town Moderator Betsey Anderson who is heading up the Charter Review Committee. With respect that question, he asked if it was true that FinCom generally received all the Town department budgets by the first Thursday in January. Ms. Perry said there was a time when FinCom had received them by November/December. “I think we should go for what we need, not what’s been done in the past,” Ms. Perry said.

Mr. Steele said it would be great have a realistic budget together by early January. Mr. Thomas pointed out that in order to accomplish this, FinCom would have to come up with the guideline as early as possible.

Mr. Steele countered that he did not believe a guideline number was necessary to build a budget but said the Committee would work to establish a reasonable timeframe and deadline.

**Minutes:** Ms. Perry made a motion to accept the June 5 minutes as amended. Mr. Busa seconded. The motion passed 6-0-1.

The motion to adjourn was made by Mr. Thomas, seconded by Ms. McClung. The motion passed 6-0-1.

Respectfully submitted,  
Kim Siebert, FinCom Recording Secretary